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University District Parking Task Force Phase 1 Recommendations - Draft as of 1/14/2014

<u>Purpose</u>

The University District Parking Study Task Force has been charged with revisiting the 0.5 space/bedroom parking requirement in place for residential development in the University District area. This has been in effect for around 5 years, and there are a number of projects that have been impacted by it. The task force has been charged with reviewing information and options, and assessing whether additional modifications to the parking requirement are necessary.

The task force met three times in Fall 2013 to discuss the issue, review data and case studies, and develop preliminary recommendations.

<u>Findings</u>

- Parking provided by developers relates more to the target market of residents for the development than the project location. This is evidenced through a review of parking provided both in the University District and Downtown (where there is no residential parking requirement). Developments aimed at students consistently request to build less parking than market rate units aimed at other household types. However, it is not possible to regulate by household type, nor should it be taken for granted that the market for a development might not change or diversify in the future.
- During the land use approval process, some developers have made a strong case that parking requirements in certain areas exceed demand based on proximity to campus, availability of transit, and parking utilization rates. In response, the City has granted variances to the residential parking requirements for a number of projects, particularly those along major transit corridors. In cases like this when variances are frequently approved, it prompts the City to review its regulations to ensure they are still appropriate.
- While there has been some concern about overbuilding of parking, it appears that most developments are eventually able to lease out close to 100% of the spaces they construct (and

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in some cases may have an excess of demand). It should be noted that this amount is still less than what is required, due to variances requested.

- The impact of the parking requirement's alternative means of calculating parking (i.e. one space per unit the effective requirement being whichever is greater) is significant, applying to the majority of larger projects in the area. The result is the requirement effectively is more than 0.5/bedroom for many developments with a smaller average unit size.
- Variances have been requested and granted frequently in Transit Station Area (TSA) Pedestrian Oriented (PO) Overlay Districts, There already is a 10% reduction in parking requirements in these districts, and it may make sense to further reduce parking requirements, especially with the new light rail coming online soon.
- Variances have also been requested and granted frequently in along 4th St SE, University Ave SE, and 15th Ave SE in Marcy Holmes, on areas close to campus but not in PO districts. These do have transit service (though in the case of 4th and University, they do not qualify for the City's 10% reduction for parking on transit corridors because they are one way). There may be a need to find another way for the City to identify where variances might be appropriate.
- Parking requirements are not out of line with peer cities in similar areas, though in some cases they are less elsewhere especially along transit corridors. The research done for this project also found a number of parking related strategies meriting further conversation. These were outside the defined scope of this task force, so further investigation will wait until a future process (see items for further study below).
- The survey of developments showed comparable parking rental rates among the developments suggesting no discounting.

Recommendations

- Remove the language in the ordinance suggesting the alternative 1 space/unit calculation. This will have the impact of making it easier to build developments with studio and 1 bedroom units, something that has been requested by both neighborhoods and developers. (Scenario A)
- Increase the 10% reduction of residential parking requirements in TSA PO's in the University District to 30%, changing the effective required rate from 0.45 spaces/bedroom to 0.35 spaces/bedroom. For the Dinkytown PO (which is not a TSA PO so does not already have a reduced parking requirement), put into place a similar requirement. This does not impact the East Hennepin PO, which is only partially inside the district and relates much more to the non-University housing market. (Scenario B)

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Items for Further Study

- Support for parking reductions on University and 4th. As mentioned above, these did not qualify for reductions on transit corridors because they are one way. Changing the policy on one way streets would impact communities throughout the city, and hence is outside the scope of this task force's work.
- Consideration of expanding PO districts. It was noted in particular that the Dinkytown PO district is very small, and a case might be made for expanding its boundaries. This is outside the scope of this task force, but might be addressed through the ongoing small area planning process for Marcy Holmes and Dinkytown.
- Evaluate needs for various unit mixes. The task force had a robust discussion about unit sizes, noting that while studios and one bedroom units are needed, so are larger units (especially for families with children). This will need to be tracked and considered on an ongoing basis.
- General need to periodically reevaluate parking requirements. The changes proposed are
 fairly incremental. As parking demand likely will continue to change and fluctuate, there is
 a need to check periodically to see if further adjustments are needed to improve the
 efficiency of the system.